



## DEPARTMENT OF HOMELAND SECURITY

### U.S. Customs and Border Protection

## DEPARTMENT OF THE TREASURY

### 19 CFR Part 24

[USCBP-2023-0025; CBP Dec. 23-13]

RIN 1515-AE81

### Elimination of Debit Voucher Interest Accruing Before the Issuance of a Bill

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security, Department of the Treasury.

**ACTION:** Interim final rule; solicitation of comments.

**SUMMARY:** This document amends the U.S. Customs and Border Protection (CBP) regulations to reflect the elimination of CBP's collection of interest specific to debit vouchers in order to enable CBP to efficiently include debit voucher bills in CBP's automated billing process in the Automated Commercial Environment. As a result of this change, CBP will automatically issue debit voucher bills, inclusive of all applicable interest accruing on such bills and dishonored payment fees. Interest on the debited amount will accrue from the date of the issuance of a debit voucher bill, and no longer from the date of the debit voucher.

**DATES:** This interim final rule is effective as of November 4, 2023; comments must be received by [INSERT DATE 60 DAYS FROM THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Please submit comments, identified by docket number, by the following method:

*Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP-2023-0025.

*Instructions:* All submissions received must include the agency name and docket number

for this rulemaking. All comments received will be posted without change to <https://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the “Public Participation” heading of the **SUPPLEMENTARY INFORMATION** section of this document.

*Docket:* For access to the docket to read background documents or comments received, go to <https://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Steven J. Grayson, Program Manager, Investment Analysis Office, Office of Finance, U.S. Customs and Border Protection, (202) 579-4400, or [ACECollections@cbp.dhs.gov](mailto:ACECollections@cbp.dhs.gov).

## **SUPPLEMENTARY INFORMATION:**

### **I. Public Participation**

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of this interim final rule. See **ADDRESSES** above for information on how to submit comments. CBP also invites comments that relate to the economic, environmental, or federalism effects that might result from this regulatory change. Comments that will provide the most assistance to CBP will reference a specific portion of the rule, explain the reason for any recommended change, and include data, information or authority that supports such recommended change.

### **II. Background**

#### **A. Ongoing Modernization of the Collections System at U.S. Customs and Border Protection**

U.S. Customs and Border Protection (CBP) is modernizing its collections system, allowing CBP to eventually retire the Automated Commercial System (ACS) and transfer all collections processes into the Automated Commercial Environment (ACE). This modernization effort, known as ACE Collections, includes the consolidation of the entire collections system into the ACE framework, which will enable CBP to utilize trade data from ACE modules,

benefitting both the trade community and CBP with more streamlined and better automated payment processes. The new collections system in ACE will reduce costs for CBP, create a common framework that aligns with other initiatives to reduce manual collection processes, and provide additional flexibility to allow for future technological enhancements. ACE Collections will also provide the public with more streamlined and better automated payment processes with CBP, including better visibility into data regarding specific transactions.

ACE Collections supports the goals of the Customs Modernization Act (Pub. L. 103-182, 107 Stat. 2057, 2170, December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act), of modernizing the business processes that are essential to securing U.S. borders, speeding up the flow of legitimate shipments, and targeting illicit goods that require scrutiny. ACE Collections also fulfills the objectives of Executive Order 13659 (79 FR 10655, February 25, 2014), to provide the trade community with an integrated CBP trade system that facilitates trade, from entry of goods to receipt of duties, taxes, and fees.

CBP is implementing ACE Collections through phased releases in ACE. Release 1 was deployed on September 7, 2019, and dealt with statements integration, the collections information repository (CIR) framework, and automated clearinghouse (ACH) processing. *See* 84 FR 46749 and 84 FR 46678 (September 5, 2019), with a minor correction on September 23, 2019 (84 FR 49650).

Release 2 was deployed on February 5, 2021, and focused on non-ACH electronic receivables and collections, for Fedwire and Pay.gov, that included user fees, and Harbor Maintenance Fee (HMF) and Seized Assets and Case Tracking System (SEACATS) payments. All the changes in Release 2 were internal to CBP and did not affect the trade community; as such, no notice was published.

Release 3 was deployed on May 1, 2021, and primarily implemented technical changes to the liquidation process, and deferred tax bills, which were internal to CBP. *See* 86 FR 22696 (April 29, 2021). Release 3 also harmonized the determination of the due date for deferred tax

payments with the entry summary date, streamlined the collections system, and provided importers of record with more flexibility and access to data when making deferred payments of internal revenue taxes owed on distilled spirits, wines, and beer imported into the United States.

Release 4 was deployed on October 18, 2021, and primarily implemented technical changes to the production and management of the internal CBP processes for supplemental bills, certain reimbursable bills, and non-reimbursable/miscellaneous bills issued by CBP to the public. *See* 86 FR 56968 (October 13, 2021). Release 4 also made available to importers of record, licensed customs brokers, and other ACE account users, an option to electronically view certain, unpaid, open bill details as reports in ACE Reports and adopted a new, enhanced format for the CBP Bill Form.

Release 5 was deployed on March 21, 2022, and implemented internal technical changes to the production, tracking, and management of overdue bills and delinquent accounts and the bonds associated with them, including enhancements to the unpaid, open bill details reports in ACE Reports. *See* 87 FR 14899 (March 16, 2022). Release 5 also included a May 1, 2022 delayed deployment of minor modifications to the mailed Formal Demand on Surety for Payment of Delinquent Amounts Due (also informally referred to as the 612 Report) and the ability to electronically view 612 Reports in ACE Reports.

Most recently, Release 6 was deployed on August 29, 2022. Release 6 focused on the management of refunds, and included mainly internal, technical changes to the ability to search, create, and review/certify those refunds. *See* 87 FR 49600 (August 11, 2022). Release 6 also included enhancements that improve transparency and access to information through ACE for ACE account users who have sought refunds from CBP to view certain information regarding the ACE account user's own refunds.

As explained more fully below, Release 7 will be deployed on November 4, 2023.

Release 7 will enhance CBP's budget clearing account (BCA)<sup>1</sup> management, reducing processing times for clearing collections off the BCA and allowing for improved reconciliation of open receivables. This release will further integrate the port collections process into ACE Collections to allow for the full entry lifecycle to be contained in one system. The remaining ACS functionalities, including Point of Sale (POS), Treasury and port reconciliations, Deposits in Transit (DIT), debit voucher<sup>2</sup> processing, collections in transit, serial numbered forms (SNF) and system transfers, will also be moved to ACE. Specifically for debit vouchers, Release 7 will streamline the tracking and notification process for debit vouchers within ACE by transitioning the entire debit voucher process (from bill creation to payment application) from a manual to an automated process. This transition is accomplished by including debit vouchers in CBP's general billing process and making several regulatory changes to the debit voucher interest accrual provision. All changes, except the change to debit voucher processing, are internal to CBP and will not affect the trade community. The completion of this release will enable CBP to retire the ACS mainframe and move all ACS functionality to ACE. CBP will announce the retirement of ACS by notice in the *Federal Register* once ready to do so.

## **B. Overview of CBP's Debit Voucher Process**

CBP is authorized to collect duties, taxes, and fees arising from customs activities from individuals or entities. *See generally* 19 U.S.C. 58a, 58b, 58b-1, 58c, 1505, and 26 U.S.C. 4461. The regulations found in part 24 of title 19 of the Code of Federal Regulations (CFR) address the financial and accounting procedures for when CBP collects these duties, taxes, fees, interest, and other applicable charges. *See generally* 19 CFR 24.1-24.36. CBP collects and manages numerous types of bills and uses several systems and processes to manage them. CBP separates the bills it collects into broad categories, which include accrual bills, supplemental bills,

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<sup>1</sup> A budget clearing account records unidentifiable transactions and credits pending transfer to the applicable receipt or expenditure account. *See* 31 U.S.C. 3513.

<sup>2</sup> A bank issues a debit voucher on Form SF 5515 notifying CBP that a CBP account is being debited due to a dishonored payment.

reimbursable bills, non-reimbursable/miscellaneous bills, debit vouchers, and fines, penalties, and forfeiture bills. *See generally* § 24.3a. Supplemental bills constitute the majority of bills that CBP generates for collection purposes. These bills arise from liquidation or reliquidation processes and are generated because of the nonpayment or underpayment of duties, taxes, and fees at the time of entry for imported merchandise. In most cases, debit voucher bills (covered by §§ 24.3(e) and 24.3a(b)(2)(i)(C)) resulting from dishonored payments<sup>3</sup> such as dishonored checks or dishonored ACH<sup>4</sup> transactions, function similarly to supplemental bills in their purpose, *i.e.*, nonpayment or underpayment of duties, taxes, and fees. Thus, debit voucher bills are included in the provisions regarding bill payment, due date and interest accrual for supplemental bills, although the due date and interest assessment for debit vouchers differ from supplemental bills. *See* §§ 24.3(e) and 24.3a(b)(2)(ii).

Section 24.3a contains detailed provisions regarding CBP bills for supplemental duties, taxes, and fees, vessel repair duties with interest, reimbursable services, and miscellaneous amounts. Specifically, § 24.3a(a) discusses the due date for these CBP bills and refers to the due date calculation set forth in § 24.3(e). Section 24.3(e) states that bills resulting from dishonored checks or dishonored ACH transactions are due and payable within 15 days of the date of the issuance of the bill, whereas all other bills are due and payable within 30 days of the date of the issuance of the bill.

CBP assesses interest on the nonpayment or underpayment of estimated duties, taxes, and fees, or interest, owed by an individual or entity, as set forth in § 24.3a(b). *See also* 19 U.S.C. 1505(c). Section 24.3a(b)(1) concerns interest charges due to the late payment of bills for vessel repair duties, reimbursable services and miscellaneous amounts, whereas paragraph (b)(2) describes the procedures for charging interest due to the underpayment of supplemental duties,

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<sup>3</sup> Even though §§ 24.3(e) and 24.3a(b)(2)(i)(C) mention only checks and ACH transactions, every payment type may result in a debit voucher, with dishonored checks and dishonored ACH transactions being the majority of dishonored payments that CBP processes.

<sup>4</sup> For additional information on the ACH debit and ACH credit processes, please see 19 CFR 24.25 and 24.26.

taxes, fees, and interest. Section 24.3a(b)(2) is divided into paragraph (i) dealing with interest on initial underpayments, and paragraph (ii) involving interest on overdue bills. Paragraph (b)(2)(i) is further broken out into paragraphs (A) through (C) covering factual situations that arise under current CBP transactions and produce variations in the interest computation period under the basic statutory rule of 19 U.S.C. 1505(d). Paragraph (A) concerns excessive refunds by CBP prior to liquidation or reliquidation, paragraph (B) describes three scenarios involving additional deposits made by an individual or entity prior to liquidation or reliquidation, and paragraph (C) concerns situations where CBP receives a debit voucher indicating that a payment to CBP was not made because of a dishonored check or dishonored ACH transaction.

According to § 24.3a(b)(2)(i)(C), if a depository bank notifies CBP by a debit voucher that a CBP account is being debited due to a dishonored check or dishonored ACH transaction, interest will accrue on the debited amount from the date of the debit voucher to either the date of the payment of the debt represented by the debit voucher or the date of the issuance of a bill for payment, whichever date is earlier. Thus, interest begins to accrue on a debit voucher from the date of the debit voucher. If the debit voucher is paid before CBP generates a bill, interest accrues from the date of the debit voucher to the date of payment. If the debit voucher is not paid before CBP generates a bill, interest accrues on the amount of the debit voucher until the date the bill is generated. CBP charges this debit voucher interest in addition to any interest accrued on the underlying underpayment of duties, taxes, and fees as prescribed by 19 U.S.C. 1505(c) or 1677g.

Section 24.3a(b)(2)(ii) involves interest on overdue bills, and states that if duties, taxes, fees, and interest are not paid in full within the applicable period specified in § 24.3(e), any unpaid balance will be considered delinquent and will bear interest until the full balance is paid. As noted above, § 24.3(e) provides that, generally, a debtor has 30 days after the bill date (also known as the date of issuance of the bill) to make payment. On the 31<sup>st</sup> day after the bill date, the bill is considered delinquent, and interest will accrue in 30-day periods. In the case of debit

vouchers, § 24.3(e) provides that a debtor has 15 days after the bill date to make payment, and on the 16<sup>th</sup> day after the bill date, the bill is considered delinquent. Initial interest accrues on the debit voucher bill within the 15-day period, and in 30-day periods thereafter. *See generally* 19 U.S.C. 1505(d); 19 CFR 24.3a.

For CBP, the current debit voucher process is very labor-intensive. Because the interest calculation for debit vouchers differs from that for other CBP bills, debit voucher bills cannot be automated along with other CBP bills. Therefore, CBP accounting technicians are tasked with manually creating draft debit voucher bills for only the amount of the debit voucher in ACS, manually calculating interest outside of the system for each debit voucher, and manually creating and mailing to the individual or entity a letter notifying of the debit voucher interest and any amount owed on the debit voucher. This bill, in the form of a letter, is mailed to notify the debtor of the amount owed on a particular debt.<sup>5</sup> Payments that are made on debit voucher bills are posted to the BCA until payment and bill are manually matched up and payment is applied to the bill. If payment is not made, subsequent letters with any remaining amount owed, plus additional accrued interest, must be manually created and mailed every 30 days, consistent with § 24.3(e) and § 24.3a(c)(3).

The banking industry practice regarding debit vouchers has changed significantly since CBP first implemented debit voucher interest through regulatory amendments in 1999.<sup>6</sup> Debit vouchers were historically mailed to payees (resulting in a delay of days or weeks before a bill could be issued) but are now transmitted electronically such that CBP receives near-immediate electronic notice when a payment is dishonored. Consequently, debit vouchers are paid and resolved or billed by CBP within a day or two of receiving electronic notice of the dishonored payment. Thus, the accrued interest on debit vouchers in this short time frame is minimal, in

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<sup>5</sup> It is common practice for CBP accounting technicians to create draft debit voucher bills without interest as soon as CBP is notified of the debit voucher to keep the accruing debit voucher interest low; the debit voucher interest is frequently calculated at a later time and mailed subsequently in a dunning letter.

<sup>6</sup> CBP published an interim final rule in the *Federal Register* on October 20, 1999 (64 FR 56433) amending regulations regarding interest on underpayments and overpayments of customs duties, taxes, fees, and interest.

contrast to the significant time and resources CBP must spend manually processing debit vouchers and issuing bills for their payment. In addition, the individual or entity may receive a dunning letter despite having already made payment in full because CBP has not processed the payment yet, *i.e.*, matched up and applied the payment to the bill, before mailing the letter, thus resulting in inaccurate billing.

### **III. Discussion of Changes to 19 CFR 24.3 and 24.3a**

As described above, the current regulatory requirement in § 24.3a(b)(2)(i)(C) to assess debit voucher interest prior to the creation of the debit voucher bill inhibits CBP's ability to automate the debit voucher billing process and align it with the billing process for the majority of bills issued by CBP. In order to address the problems posed by the manual debit voucher process, CBP is amending its regulations to eliminate the requirement in § 24.3a(b)(2)(i)(C) to assess interest on debit vouchers for the period between the date of the debit voucher and the date of the creation of the debit voucher bill. Instead, interest will only accrue on the amount of the debit voucher from the date of issuance of the debit voucher bill, resulting in the same starting point for the interest calculation for debit voucher bills as all other bills.

As part of Release 7, debit voucher bills will be processed automatically like other bills, inclusive of all applicable interest accruing on such bills and dishonored payment fees. The system (ACE) will generate an initial debit voucher bill due 15 days from the date of issuance of the bill, and subsequent bills every 30 days from the due date. To enable this automation of the debit voucher process, CBP is reorganizing § 24.3a(b) by moving the debit voucher provision in paragraph (b)(2)(i)(C) to a new paragraph (b)(3) titled, "Interest accrual on debit vouchers." As debit voucher bills will be included in CBP's automated billing process, the debit voucher provision under paragraph (b)(2)(i)(C) is no longer considered an exception to the general rule in § 24.3a(b)(2)(i). Moreover, the debit voucher provision deals with a specific scenario of dishonored payments on any type of debt owed to CBP, whereas paragraph (b)(2) in general describes situations arising in the context of liquidation or reliquidation, thus, the placement of

the debit voucher provision in a separate paragraph will fit better within the structure of CBP's billing regulations.

The new paragraph (b)(3) will set forth the rules for interest accrual on debit vouchers and will state that if a depository bank notifies CBP by a debit voucher that a CBP account is being debited due to a dishonored payment (*e.g.*, check or ACH transaction), interest will accrue on the debited amount from the date of the bill. Further, if payment is not received by CBP on or before the late payment date appearing on the bill, interest charges will be assessed on the debited amount. The initial late payment date is the date 15 days after the interest computation date. The interest computation date is the date from which interest is calculated and is initially the bill date. New paragraph (b)(3) will further state that no interest charge will be assessed if the individual or entity timely pays the debt at the location designated on the bill within the initial 15-day period (consistent with § 24.3a(c)(3), which similarly provides that no interest will be assessed for the initial 30-day period in which timely payment is made on a CBP bill). Finally, after the initial 15-day period, interest will be assessed in 30-day periods pursuant to paragraph § 24.3a(c)(3).

To account for the removal of paragraph (b)(2)(i)(C) in § 24.3a(b)(2)(i), CBP is also removing the reference to paragraph (b)(2)(i)(C) from the introductory text of § 24.3a(b)(2)(i), leaving only paragraphs (b)(2)(i)(A) and (b)(2)(i)(B) as the exceptions to the general interest accrual rule in paragraph (b)(2)(i). In addition, CBP is modifying § 24.3(e) to clarify that a debit voucher may be generated for different types of dishonored payments, including checks and ACH transactions as examples of two payment types. The revision includes a more general reference to dishonored payments followed by a parenthetical reading, “(*e.g.*, check or Automated Clearinghouse (ACH) transaction).” Lastly, in the second sentence of § 24.3(e), CBP is adding “and payable” after the word “due” to be consistent with the same phrase used in the preceding sentence.

Despite forgoing a small amount of interest that accrues between the debit voucher date

and the issuance of a bill or the payment of the debit voucher (whichever is earlier), eliminating this interest assessment in § 24.3a(b)(2)(i)(C) will bring about major efficiency gains for CBP, significantly decreasing manual processing of debit vouchers, and thereby improving revenue-collecting operations and better utilizing resources currently spent on manual processing. The trade community will also benefit from improved visibility into specific debit voucher debts as CBP will no longer mail multiple bills (in the form of a letter) for the amount of the debit voucher and interest to the individual or entity on the debts owed, and payment by the individual or entity on a debit voucher will be reflected automatically on the bill record in ACE. In addition, the trade community will receive periodic reminders in the form of subsequent bills following the initial bill until the debt is paid.

As a result of these changes, most debit voucher bills will be created and mailed automatically, decreasing the volume of manual processing significantly. Some manual processing will still occur to finalize debit voucher bills for dishonored ACH credit and check payments. Payments through ACH debit represent the majority of dishonored transactions, and for debit vouchers received on these debts, the system will automatically create a full debit voucher record and create and mail the bill(s) with the information populated from the original dishonored payment. For dishonored ACH credit and check payments, the system will prepare a draft bill, as not all information that is needed to create a final bill is available in ACE, *e.g.*, what debt is being paid and who is responsible for the debt. CBP accounting technicians will fill in the missing information to complete the record using outside research. Once a full debit voucher record is created, a bill will be automatically generated, with interest automatically calculated by the system, and mailed. The trade community will receive notification of the total amount owed, due within 15 days, on an initial bill, with automatic subsequent notifications following in 30-day periods. Most payments on debit vouchers will be posted directly to the bill, and no longer to the BCA, as system limitations that exist in ACS will be eliminated with Release 7.

#### **IV. Statutory and Regulatory Requirements**

## **A. Executive Orders 13563 and 12866 Analysis**

Executive Orders 13563 and 12866 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This interim final rule has not been designated as a “significant regulatory action” under Executive Order 12866. Accordingly, the Office of Management and Budget (OMB) has not reviewed this regulation.

This interim final rule is part of ACE Collections Release 7. CBP is amending its regulations in 19 CFR 24.3a to reflect the elimination of debit voucher interest that CBP currently charges to align debit voucher processing with CBP’s automated billing process. CBP has prepared the following analysis to help inform stakeholders of the impacts of this interim final rule.

### **1. Purpose of Rule**

This interim final rule will eliminate a requirement in current regulations relating to the accrual of interest on dishonored payments. When a payment to CBP, whether paper or electronic, is dishonored for lack of funds, the bank issues a debit voucher and notifies CBP. Regulation currently requires CBP to assess interest on the dishonored payment amount between the date of a debit voucher to either the date of the payment or the date of the issuance of the bill. This interim final rule will eliminate this initial period in which interest accrues. Under this interim final rule, interest will instead accrue from the date of the bill, initially for 15 days, and then in 30-day periods until the bill is paid, in alignment with CBP practices for other payments.

### **2. Background**

In the course of doing business, CBP bills individuals and entities for duties, taxes, fees, interest, or other charges. When an individual’s or entity’s payment is dishonored, CBP may

charge additional interest. Current 19 CFR 24.3(b)(2)(i)(C) states:

If a depository bank notifies CBP by a debit voucher that a CBP account is being debited due to a dishonored check or dishonored Automated Clearinghouse (ACH) transaction, interest will accrue on the debited amount from the date of the debit voucher to either the date of payment of the debt represented by the debit voucher or the date of issuance of a bill for payment, whichever date is earlier.

Before electronic banking was widely available, notification of a dishonored payment could take days to weeks, as the affected bank had to notify CBP via a paper debit voucher. After receipt of notice, CBP would calculate the interest owed on the dishonored amount based on the date of the debit voucher, create a bill with just the amount of the debit voucher in ACS, place a hold on that bill, and mail a letter containing the amount of the debit voucher and interest to the individual or entity. With the advent of electronic payments and messaging, the time between a debit voucher's creation and the bank's notification to CBP is significantly reduced, usually taking no more than three days. Often, the individual or entity has become aware of the problem and made the payment before CBP receives notification or calculates the interest and issues a bill, or the individual or entity makes the payment after the bill is generated but before it is received, causing confusion. As CBP's debit voucher process has not yet been automated, CBP accounting technicians must continue to process debit vouchers manually by checking for a (late) payment, calculating interest, and generating a bill. If the individual or entity continues to fail to pay after the initial bill, CBP may mail subsequent letters as interest accrues in further 30-day periods, but because the process is handled manually, subsequent letters are rarely mailed.

CBP seeks to automate the debit voucher process as a part of ACE Collections Release 7 to better serve the trade community, promote efficiency, and improve collections. However, because of the structure of CBP's electronic systems, processing of debit vouchers can only be automated if CBP eliminates the requirement to assess interest between the date of the debit voucher to either the date of the payment or the date of the issuance of the bill. Under an automated system made possible through this interim final rule, CBP will systemically mail the CBP bill inclusive of all applicable interest accruing on the bill and dishonored payment fees.

Thus, payments for a debit voucher will automatically be posted to the individual's or entity's bill record in CBP systems instead of requiring manual processing by an accounting technician to adjust remaining interest and the bill record after payment has been made. The debit voucher process will be completely electronic, with both initial and subsequent bills mailed automatically if payment is not made.

### **3. Costs of the Rule**

CBP does not anticipate any costs resulting from this interim final rule. Although CBP has invested resources into automating the debit voucher process, those costs were borne regardless of this interim final rule as CBP modernizes its financial systems and moves most business activities to ACE. CBP's ACE Collections effort is large and ongoing, and the debit voucher process represents a minor part. The trade community will see no costs from this interim final rule and will likely save time in the payment and billing process as electronic payment and automatic account updates make settling accounts quicker and easier.

### **4. Benefits of the Rule**

CBP considers this interim final rule to be beneficial to both CBP and the trade community. Automating debit voucher processing will bring clarity and efficiency to the interest accrual and collection environment, making it clear to the individuals and entities involved how much they owe and when, and allowing them to make payments quickly. Individuals and entities will no longer receive bills for payments they may have already made and CBP's accounting technicians will no longer need to spend time calculating interest and generating bills for every debit voucher received by CBP. Automation will also allow for better collection of interest accrued after the initial bill. Under current manual practice, subsequent bills are rarely generated and mailed. Under this interim final rule, that process will be automated, enabling CBP to pursue payment.<sup>7</sup>

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<sup>7</sup> Note that some individuals and entities that owe CBP interest on their longer-term dishonored payments will, in practice, pay more interest since subsequent bills with updated accruing interest amounts will be mailed with better

## **5. Transfers**

CBP will likely see a small reduction in the amount of interest charged to and collected from individuals and entities because, as part of Release 7, interest will start accruing at a later date – at the time the debit voucher bill is issued rather than at the time of the debit voucher itself. This reduction is not counted as a cost of this interim final rule but as a transfer, as the reduction in CBP's income will be equal to the corresponding increase in funds retained by the individual or entity paying the debit voucher bill. As the total resources available to society will not change, this is a transfer and not a cost.

### **B. Regulatory Flexibility Act**

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), as amended by the Small Business Regulatory Enforcement and Fairness Act of 1996, requires agencies to assess the impact of regulations on small entities. A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business concern per the Small Business Act); a small organization (defined as any not-for-profit enterprise which is independently owned and operated and is not dominant in its field); or a small governmental jurisdiction (defined as a locality with fewer than 50,000 people). Since a general notice of proposed rulemaking is not necessary for this rule, CBP is not required to prepare a regulatory flexibility analysis for this interim final rule.

### **C. Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, 44 U.S.C. 3507), an agency may not conduct, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by OMB. There are no information collections associated with this rule.

### **D. Inapplicability of Notice and Comment Requirement and Delayed Effective Date**

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regularity. CBP does not consider this a cost of this interim final rule as it is a cost of compliance with current regulations.

The Administrative Procedure Act (APA) requirements in 5 U.S.C. 553 govern agency rulemaking procedures. Section 553(b) of the APA generally requires notice and public comment before issuance of a final rule. In addition, section 553(d) of the APA requires that a final rule have a 30-day delayed effective date. The APA, however, provides exceptions from the prior notice and public comment requirement and the delayed effective date requirement, when an agency for good cause finds that such procedures are impracticable, unnecessary, or contrary to the public interest. *See* 5 U.S.C. 553(b)(B) and (d)(3).

Pursuant to 5 U.S.C. 553(b)(B), CBP has determined for good cause that prior notice and comment are unnecessary because the interim final rule mainly changes CBP's internal accounting procedures and does not negatively affect the substantive rights of the members of the trade community. As explained in more detail above, the elimination of the debit voucher interest and the automation of the debit voucher billing process will bring clarity as to the debts owed and efficiency as to the debit voucher process itself, benefitting both the trade community and CBP. For the same reasons, CBP finds that good cause exists pursuant to section 553(d)(3) of the APA to issue this interim final rule effective upon publication.

### **Signing Authority**

This document is being issued in accordance with 19 CFR 0.1(a)(1) pertaining to the authority of the Secretary of the Treasury (or her/his delegate) to approve regulations related to certain customs revenue functions.

Troy A. Miller, Senior Official Performing the Duties of the Commissioner, having reviewed and approved this document, has delegated the authority to electronically sign this document to the Director (or Acting Director, if applicable) of the Regulations and Disclosure Law Division of CBP, for purposes of publication in the *Federal Register*.

### **List of Subjects in 19 CFR Part 24**

Accounting, Claims, Exports, Freight, Harbors, Reporting and recordkeeping requirements, Taxes.

### **Amendments to the Regulations**

For the reasons stated above, part 24 of title 19 of the Code of Federal Regulations (19 CFR part 24) is amended as set forth below:

## **PART 24 – CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE**

1. The general authority citation for part 24 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1505, 1520, 1624; 26 U.S.C. 4461, 4462; 31 U.S.C. 3717, 9701; Pub. L. 107–296, 116 Stat. 2135 (6 U.S.C. 1 et seq.).

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2. Revise § 24.3(e) to read as follows:

### **§ 24.3 Bills and accounts; receipts.**

\* \* \* \* \*

(e) Except for bills resulting from dishonored payments (*e.g.*, a check or Automated Clearinghouse (ACH) transaction), all other bills for duties, taxes, fees, interest, or other charges are due and payable within 30 days of the date of the issuance of the bill. Bills resulting from dishonored payments are due and payable within 15 days of the date of the issuance of the bill.

3. In § 24.3a:

- a. Revise the first sentence of the introductory text of paragraph (b)(2)(i);
- b. Remove paragraph (b)(2)(i)(C); and
- c. Add a new paragraph (b)(3).

The revision and addition read as follows:

### **§ 24.3a CBP bills; interest assessment on bills; delinquency; notice to principal and surety.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(i) *Initial interest accrual.* Except as otherwise provided in paragraphs (b)(2)(i)(A) and (b)(2)(i)(B) of this section, interest assessed due to an underpayment of duties, taxes, fees, or

interest will accrue from the date the importer of record is required to deposit estimated duties, taxes, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation. \* \* \*

\* \* \* \* \*

(3) *Interest accrual on debit vouchers.* If a depository bank notifies CBP by a debit voucher that a CBP account is being debited due to a dishonored payment (*e.g.*, a check or Automated Clearinghouse (ACH) transaction), interest will accrue on the debited amount from the date of the bill resulting from the dishonored payment. If payment is not received by CBP on or before the late payment date appearing on the bill, interest charges will be assessed on the debited amount. The initial late payment date is the date 15 days after the interest computation date. The interest computation date is the date from which interest is calculated and is initially the bill date. No interest charge will be assessed where the payment is actually received at the “Send Payment To” location designated on the bill within the initial 15-day period. After the initial 15-day period, interest will be assessed in 30-day periods pursuant to paragraph (c) of this section.

\* \* \* \* \*

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